

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4449
ANSWERED ON:12.08.2016
MIP for Steel Products
Singh Shri Bhola

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has done any impact assessment on the draft of increasing the minimum floor price and minimum import price of steel and steel products;
- (b) if so, the details thereof and if not, the reasons therefor; and
- (c) the effective steps taken to curb demurrage charges in case of delay caused by customs officials in clearing the consignment?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) & (b) No Sir. The Government has not done any impact assessment study with respect to minimum import price on steel products.

However, Ministry of Steel has conducted an internal study to assess the cost of production of domestic steel producers and also the domestic sale prices of major steel producing countries like Europe, Japan, South Korea and USA before notifying the MIP on steel products.

MIP was resorted too because imports were coming into the country at prices which were reportedly even below variable cost of production in some countries, on account of the global steel overcapacity which was an unfair tactic being resorted to by some international steel producers which needed to be countered.

MIP has had a salutary effect on the domestic steel industry in terms of putting a check on the quantum of imports and helping the industry to improve price realizations, though not as expected. The current prices are still below the reference MIP prices and the imports under the notified tariff lines, at below MIP, are yet to be arrested, either due to previously opened LCs or under advance authorization scheme.

(c) Demurrage charges are collected by the custodians/shipping lines. The Handling of Cargo in Customs Areas Regulations, 2009 provides that the Customs Cargo Service provider, subject to any other law for the time being in force, shall not charge any rent or demurrage on the goods seized or detained or confiscated by the officers of Customs. Further, CBEC has issued various instructions for ensuring time bound Customs clearance and to avoid unnecessary demurrages and difficulties to importers.